

HOUSE BILL No. 1618

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-4-30.

Synopsis: Funding for center for coal technology research. Requires an electric distribution utility to annually certify to the utility regulatory commission and the department of state revenue (department) the utility's coal generated electricity ratio for the ensuing calendar year. Provides that the ratio equals: (1) the amount of retail electric service generated from the utility's coal-fired generating facilities; divided by (2) the total amount of retail electric service provided by the utility; during the 12 monthly billing cycles preceding the date of certification. Requires a utility to collect a monthly coal technology fee from all retail customers. Provides that the amount of the fee equals: (1) \$0.000049 per kilowatt hour of electricity consumed by the customer; multiplied by (2) the utility's coal generated electricity ratio. Requires a utility to remit the fees collected to the department. Requires the budget agency to create a coal technology fee account within the coal technology research fund for the receipt of the fees. Provides that money in the account may be spent by the center for coal technology research for administrative and research expenses and to provide matching funds for federal clean coal technology programs. Limits the amount spent for research and administrative expenses to \$500,000 in a fiscal year.

Effective: Upon passage.

Stilwell

January 19, 2005, read first time and referred to Committee on Utilities and Energy.

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First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

HOUSE BILL No. 1618

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 4-4-30-0.5 IS ADDED TO THE INDIANA CODE
- 2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
- 3 UPON PASSAGE]: **Sec. 0.5. As used in this chapter, "account"**
- 4 **refers to the coal technology fee account established by the budget**
- 5 **agency under section 8 of this chapter.**
- 6 SECTION 2. IC 4-4-30-1.3 IS ADDED TO THE INDIANA CODE
- 7 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
- 8 UPON PASSAGE]: **Sec. 1.3. As used in this chapter, "coal**
- 9 **generated electricity ratio" refers to the fraction calculated by an**
- 10 **electric distribution utility under section 9 of this chapter.**
- 11 SECTION 3. IC 4-4-30-1.4 IS ADDED TO THE INDIANA CODE
- 12 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
- 13 UPON PASSAGE]: **Sec. 1.4. As used in this chapter, "coal**
- 14 **technology fee" means the fee collected by an electric distribution**
- 15 **utility under section 10 of this chapter.**
- 16 SECTION 4. IC 4-4-30-1.5 IS ADDED TO THE INDIANA CODE
- 17 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE



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UPON PASSAGE]: **Sec. 1.5. As used in this chapter, "commission" refers to the Indiana utility regulatory commission created by IC 8-1-1-2.**

SECTION 5. IC 4-4-30-1.6 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.6. As used in this chapter, "department" refers to the department of state revenue established by IC 6-8.1-2-1.**

SECTION 6. IC 4-4-30-2.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.5. As used in this chapter, "electric distribution utility" means an energy utility that distributes retail electric service to customers in Indiana.**

SECTION 7. IC 4-4-30-2.6 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.6. As used in this chapter, "energy utility" has the meaning set forth in IC 8-1-2.5-2. The term includes an electric distribution utility.**

SECTION 8. IC 4-4-30-4.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.5. As used in this chapter, "retail electric service" means electric service furnished by an electric distribution utility to a customer in Indiana for ultimate consumption, including electric service by a general district corporation to a local district corporation within the meaning of IC 8-1-13-23. The term does not include wholesale energy service furnished by an energy utility for resale (other than energy service by a general district corporation to a local district corporation) to another energy utility.**

SECTION 9. IC 4-4-30-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 8. (a) The coal technology research fund is established to provide money for the center for coal technology research and for the director to carry out the duties specified under this chapter, subject to subsection (f). The budget agency shall administer the fund and shall establish a coal technology fee account within the fund for the receipt of fees deposited by the department under section 12 of this chapter.**

(b) The fund consists of the following:

- (1) Money appropriated or otherwise designated or dedicated by the general assembly.
- (2) Gifts, grants, and bequests.
- (3) Money deposited in the account by the department under**

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section 12 of this chapter.

(c) The treasurer of state shall invest the money in the fund **and the account** not currently needed to meet the obligations of the fund **and the account** in the same manner as the treasurer may invest other public funds.

(d) Money in the fund **and the account** at the end of a state fiscal year does not revert to the state general fund.

(e) **The center may spend money in the account for the following:**

(1) Subject to subsection (f), to fund coal technology research activities described in section 5 of this chapter.

(2) Subject to subsection (f), to recover administrative expenses incurred in carrying out the center's duties under this chapter.

(3) To provide matching funds for federal clean coal technology projects installed in new or existing coal-fired electric generating facilities in Indiana.

(f) The sum of the funds spent by the center under subsection (e)(1) and (e)(2) may not exceed five hundred thousand dollars (\$500,000) in a fiscal year.

SECTION 10. IC 4-4-30-9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) Not later than December 31 of each year, an electric distribution utility shall certify to the commission and to the department the electric distribution utility's coal generated electricity ratio for the ensuing calendar year. The ratio equals the quotient of:

(1) the amount of electricity, expressed in megawatts, that was:

(A) generated from the combustion of coal at an electric generating facility owned or operated by the electric distribution company; and

(B) sold as retail electric service by the electric distribution utility to customers in Indiana;

during the twelve (12) consecutive monthly billing cycles immediately preceding the billing cycle that includes the date of certification; divided by

(2) the total amount of electricity, expressed in megawatts, that was:

(A) generated or obtained from any source, including purchases of electricity on the wholesale power market or from other energy utilities; and

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(B) sold as retail electric service by the electric distribution company to customers in Indiana; during the twelve (12) consecutive monthly billing cycles immediately preceding the billing cycle that includes the date of certification.

(b) The commission may adopt rules under IC 4-22-2 to implement this section.

SECTION 11. IC 4-4-30-10 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) Beginning with the first monthly billing cycle that begins after August 31, 2005, an electric distribution utility shall collect a coal technology fee from a customer to whom it provides retail electric service during the monthly billing cycle. The electric distribution utility shall collect the fee as part of the electric distribution utility's normal monthly billing process and may list the fee as a separate entry on each bill. The amount of the fee is:

(1) forty-nine ten thousandths of one cent (\$0.000049) per kilowatt hour for each kilowatt hour consumed by the customer; multiplied by

(2) the electric distribution utility's coal generated electricity ratio determined under section 9 of this chapter.

(b) The coal technology fee collected by an electric distribution utility under this section is exempt from all state taxes and all fees imposed under IC 8-1-6.

(c) If an electric distribution utility receives a partial payment from a customer, the electric distribution utility may apply the payment against the amount the customer owes the electric distribution utility for the retail electric service provided, before applying the payment against the coal technology fee the customer owes.

(d) The commission may adopt rules under IC 4-22-2 to implement this section.

SECTION 12. IC 4-4-30-11 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) An electric distribution utility that collects a coal technology fee under section 10 of this chapter shall remit the fees collected from customers during a monthly billing cycle to the department at a time and in the manner established by the department under subsection (b).

(b) The department may require an electric distribution utility to remit the fees collected under section 10 of this chapter at:

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(1) the same time the electric distribution utility remits state gross retail taxes to the department under IC 6-2.5-6, and for reporting periods that correspond to the electric distribution utility's reporting periods under IC 6-2.5-6;

(2) the same time the electric distribution utility remits the utility receipts tax to the department under IC 6-2.3-6, and for reporting periods that correspond to the electric distribution utility's reporting periods under IC 6-2.3-6; or

(3) another time following the close of one (1) or more of the electric distribution utility's monthly billing cycles, as determined by the department.

The department may allow different electric distribution utilities to use different reporting periods under this section.

(c) The department may require an electric distribution utility to file a return or other form prescribed by the department at the same time that the electric distribution utility remits the coal technology fees to the department under this section. A return or form prescribed by the department must enable the department to do the following:

(1) Distinguish between the coal technology fees collected by the electric distribution utility under section 10 of this chapter and the state gross retail taxes collected by the electric distribution utility under IC 6-2.5, if the department requires the electric distribution utility to remit coal technology fees under subsection (b)(1).

(2) Distinguish between the coal technology fees collected by the electric distribution utility under section 10 of this chapter and the utility receipts taxes collected by the electric distribution utility under IC 6-2.3, if the department requires the electric distribution utility to remit coal technology fees under subsection (b)(2).

(3) Identify:

(A) the number of megawatts of retail electric service provided by the electric distribution utility during the reporting period to all customers; and

(B) the electric distribution utility's coal generated electricity ratio;

used by the electric distribution utility to determine the amount of the coal technology fees collected from all customers and remitted to the department with the return or form.

(d) The department may adopt rules under IC 4-22-2 to

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1 implement this section.

2 SECTION 13. IC 4-4-30-12 IS ADDED TO THE INDIANA CODE
3 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
4 UPON PASSAGE]: **Sec. 12. Not later than the fifth day of each**
5 **month, the total amount of coal technology fees received by the**
6 **department in the immediately preceding month shall be deposited**
7 **in the account.**

8 SECTION 14. [EFFECTIVE UPON PASSAGE] (a) As used in this
9 SECTION, "commission" refers to the Indiana utility regulatory
10 commission created by IC 8-1-1-2.

11 (b) As used in this SECTION, "department" refers to the
12 department of state revenue established by IC 6-8.1-2-1.

13 (c) As used in this SECTION, "electric distribution utility" has
14 the meaning set forth in IC 4-4-30-2.5, as added by this act.

15 (d) Notwithstanding IC 4-4-30-9 and IC 4-4-30-10, both as
16 added by this act, the commission shall adopt any rules to
17 implement IC 4-4-30-9 and IC 4-4-30-10, both as added by this act,
18 in the same manner as emergency rules are adopted under
19 IC 4-22-2-37.1. Any rules adopted under this SECTION must be
20 adopted not later than June 30, 2005. A rule adopted under this
21 SECTION expires on the earlier of:

22 (1) the date a rule is adopted by the commission under
23 IC 4-22-2-24 through IC 4-22-2-36 to implement IC 4-4-30-9,
24 as added by this act, or IC 4-4-30-10, as added by this act; or

25 (2) January 1, 2007.

26 (e) Notwithstanding IC 4-4-30-11, as added by this act, the
27 department shall adopt any rules to implement IC 4-4-30-11, as
28 added by this act, in the same manner as emergency rules are
29 adopted under IC 4-22-2-37.1. Any rules adopted under this
30 SECTION must be adopted not later than June 30, 2005. A rule
31 adopted under this SECTION expires on the earlier of:

32 (1) the date a rule is adopted by the department under
33 IC 4-22-2-24 through IC 4-22-2-36 to implement IC 4-4-30-11,
34 as added by this act; or

35 (2) January 1, 2007.

36 (f) Notwithstanding IC 4-4-30-9, as added by this act, not later
37 than July 31, 2005, an electric distribution utility shall certify to
38 the commission and the department the electric distribution
39 utility's coal generated electricity ratio for the electric distribution
40 utility's billing cycles that begin after August 31, 2005, and end
41 before January 1, 2006. The ratio for the electric distribution
42 utility's billing cycles that begin after August 31, 2005, and end

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before January 1, 2006, equals the quotient of:

(1) the amount of electricity, expressed in megawatts, that was:

(A) generated from the combustion of coal at an electric generating facility owned or operated by the electric distribution company; and

(B) sold as retail electric service by the electric distribution utility to customers in Indiana;

during the twelve (12) consecutive monthly billing cycles immediately preceding the monthly billing cycle that includes the date of the certification; divided by

(2) the total amount of electricity, expressed in megawatts, that was:

(A) generated or obtained from any source, including purchases of electricity on the wholesale power market or from other energy utilities; and

(B) sold as retail electric service by the electric distribution company to customers in Indiana;

during the twelve (12) consecutive monthly billing cycles immediately preceding the monthly billing cycle that includes the date of the certification.

Notwithstanding this SECTION, the electric distribution company shall certify to the commission and the department the electric distribution utility's coal generated electricity ratio for the calendar year beginning January 1, 2006, not later than December 31, 2005, as required under IC 4-4-30-9, as added by this act.

(g) This SECTION expires January 1, 2007.

SECTION 15. An emergency is declared for this act.

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